Southwestern Illinois
Flood Prevention Project
Financial Plan Update

Southwestern Illinois Flood Prevention District Council

December 19, 2012

Prepared by:

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Southwestern Illinois Flood Prevention Project
Financial Plan Update

I. Background

ButcherMark Financial Advisors ("ButcherMark") has prepared this report at the request of the Southwest Illinois Flood Prevention District Council (the "Council"). The report analyzes the Council's financing capacity for the flood prevention project it is currently implementing.

The Council was created in 2009 for the purpose of making improvements to the levee system protecting the St. Louis Metro East region (the "Project"). The funding for the Project is primarily derived from a quarter percent sales tax levied that has been collected since January 2009 in the Council's three-county region. The Council issued its 2010 Series Senior Bonds in November 2010 to fund the initial portions of the project with the expectation of issuing additional financings on a subordinated basis in the future to complete the Project. Current project cost estimates and other flood protection needs suggest that Council should identify ways to maximize its financing capacity utilizing the available quarter percent sales tax revenue resources available to it.

Previously, in July 2011, a Project Cost Estimate was developed for $150.7 million and a Financing Plan Update was prepared by ButcherMark which identified a maximum capacity of approximately $150.5 million from future sales tax revenues. That report assumed future bond issuances in 2013 and 2014 consistent with the Council's construction schedule at that time, and used sales tax revenue and market interest rate information available in 2011.

This update of the above financing plan is based on more recent revenue and market information as well as a revised construction schedule and cost estimate. Additionally, based on bond counsel review and approval, a two stage subordinated financing technique is proposed and analyzed, which, as described below, can increase flexibility for the Council in funding the Project and future levee improvements by the Council and others.

This update also provides results of sensitivity studies to show how the financing capacity under proposed technique is impacted by changes in inputs assumptions such as interest rates and timing of the financings.

II. Discussion

The Council has generated funding for the project so far primarily through the issuance of its Series 2010 Senior Bonds. The bond issue resulted in a total deposit to the Project Fund of approximately $87.3 million. The current aggregate balance in the Series 2010 ABC Project Fund (2010 A Project Fund, 2010 B Project Fund and 2010 C Project Fund combined), as of November 30, 2012, is approximately $74 million as indicated in Exhibit I. As indicated in Exhibit II, the projected future actual construction cost estimate for the Council's project, as of December 1, 2012, aggregates to approximately $115 million. This does not include the costs of professional services for design, construction management, real estate acquisition, etc. Also, the Council anticipates additional funding requirements (yet to be determined) for related projects (such as matching funding requirements for projects anticipated to be undertaken by the Corps of Engineers; and funding requirements for maintenance). This reports presents an analysis of the Council's financing capacity to meet these funding needs.

Since the enabling statutes restrict the maturity of the Council's bonds to a maximum of 25 years from the issuance date of any bonds, the Series 2010 Senior Bonds could only leverage the sales tax revenues from 2010 to 2036.

The Series 2010 Senior Bonds were also structured to have a revenue coverage of 1.5 times the gross debt service to comply with anticipated rating agency requirements to receive a AA/Aa3 ratings from Standard and Poor's and Moody's respectively. Since senior debt service coverage is over 100% of principal and interest payments, excess revenues have been freed up from the Indenture and sent pro rata to the three county sales tax funds since 2010 and are available for the Council to apply to pay costs incurred for the Project. As of October 2012 such excess revenues in the three county sales tax funds amount to approximately $10.4 million.

Going forward, additional financing opportunities are available to the Council by utilizing the future revenues remaining after making provision for the payment of debt service on the Series 2010 Senior Bonds and the operational expenses of the Council. While these remaining revenues can be leveraged with a future long term subordinated bond issue, these bonds can have a maturity of only 25 years from the issue date to comply with the Council's authorizing statute. Thus, they can leverage only 25 years of revenues beyond the issuance of these bonds. Since the Project construction is expected to be completed by 2015, a standalone long term subordinated bond issuance prior to (or during) the project construction period can only take advantage of leveraging sales tax revenues through 2040 at most. This approach would only capture five more years of capacity beyond the financing capacity utilized by the 2010 Series Senior Bonds.

Since estimated project costs may be higher, ButcherMark would propose consideration of a financing technique that can increase the Council's financing capacity for the Project by allowing the Council to leverage sales tax revenues for a period longer than 25 years after the completion of the Project. Under this technique, the Council would issue a **short term subordinated financing** instrument at an appropriate time to match its capital needs. This short term financing instrument would be payable from either available excess cash revenues or from proceeds of a future long term subordinated bond issue, issued, for example, 5 years after the end of the construction period. In accordance with the Council's formation statutes, this bond issue could have a maturity of 25 years from that issuance date. In combination with the short term financing, this technique would permit the Council to leverage an additional 5 years of sales tax revenues (as compared to a single standalone long term bond issuance) , resulting in an increased financing capacity for the Project. A brief description this two stage financing is discussed below.

III. The Role of Short Term Financing

ButcherMark proposes the Council issue two types of short term financings in the form of Revenue Anticipation Notes ("RANs") and Bond Anticipation Notes (BANs). Both of these financings would be subordinated to the outstanding Series 2010 Senior Bonds, and can be issued as Series A (RANs) and Series B (BANs) in a single offering. A short description of RANs and BANs is given below.

Revenue Anticipation Notes are short term borrowing instruments issued by municipalities to fund current expenses with a commitment of paying off the RANs from anticipated future excess cash revenues. The maturities of these instruments range from less than a year to three years. The payoff periods of these instruments can be extended with rollover of these instruments at their stated maturities.

Bond Anticipation Notes are similar to RANs except that BANs are issued with the intention of paying them off from proceeds of the sale of long term bonds in the future.

IV. Implementing the Proposed Financing Plan

The following is an outline of the elements of ButcherMark's proposed financing plan.

- Utilize the remaining proceeds from the Series 2010 Senior Bonds to fund Project expenses.
- Fund additional expenses of the project on a "pay-as-you-go" basis from excess revenues (net of debt service on Series 2010 Bonds and Council's operational expenses) that have been or are flowing out of the Indenture as "surplus" to the county FPD sales tax funds prior to the issuance of short term financing.
- Just prior to the time additional Project funding is needed, issue short term financings on a subordinated basis in the form of Revenue Anticipation Notes ("RANs"), and Bond Anticipation Notes ("BANs") and apply all the proceeds of these short term issuances to pay Project costs in a timely fashion.
- Prior to the issuance of long term subordinated bonds (see below) apply all excess revenues, after paying net debt service on Series 2010 Bonds and Council expenses, to the payment of the short term RANs.
- Issue long term subordinated bonds and apply its proceeds to retire the short term BANs.
- After the issuance of the long term bonds (see above) release excess revenues (after paying debt service on the Series 2010 bonds, debt service on the new long term subordinated bonds and the Council's expenses) for other appropriate project related purposes.
- We note here that we consider in our analysis only the financing capacity from leveraging the Council's quarter cent sales tax revenue, and do not include other sources that may be available to the Council.

V. Base Case Scenario Assumptions and Analysis

ButcherMark has made the following assumptions for the basic analysis of the future financing capacity available to the Council under the above proposed financing plan. We label this analysis as the **2012 Base Case Scenario** analysis. We have also provided sensitivity analyses showing the impacts created by making changes in inputs such as interest rates, timing of financing, provision of a subordinated debt service reserve fund, and other aspects of the analysis as described further.

<u>Base Year Revenues and Revenue Growth Rate:</u> Sales tax collection data provided by the Council for the calendar years 2009-2011 indicate a compounded annual growth rate of 4.4%. Based on this number we recommend continuing with a sales tax revenue growth rate of 3% consistent with the assumption used in the previous Financing Plan Update as a conservative number for the current analysis.

We calculate the revenue projection for the previous 12 month period to be $11,401,876 for the period July 2011 through June 2012. This number adjusted, at 3% growth, for the Fiscal Year ending September 2012 is $11,514,773. We use the fiscal year ending September 30, 2012 as the base year and this amount as the base year revenue for projecting future revenues in our analysis.

We have assumed a Base Year amount of $300,000 for the Council's expenses and assumed a modest growth rate of 3% in these expenses.

Federal Subsidies: We have assumed the Federal Build America Bond and Economic Recovery Zone Bond subsidies for the Series 2010 Senior Bonds to continue at the levels as indicated in the Series 2010 Senior Bonds Official Statement.

Interest Rates: We use average interest rates of 3% and 7% respectively, for the short-term RANs and BANs and long-term bonds respectively. Actual rates in the current market indicate these interest rate levels to be conservative.

Timing of the Financing: Consistent with the timing of the need for additional Project funding, we have assumed, for the base case scenario that the Council will issue its RANs and BANs financing in 2013. We have also assumed that the Council will issue its long-term bonds in 2020 for the purpose of paying off its BANs.

Coverage and Debt Service Reserve Fund: We anticipate that the Council will issue the new long-term bonds as subordinate to the Series 2010 Senior Bonds in accordance with the Council's Bond Indenture. Given the expected continuing growth in sales tax revenues, we have assumed coverage of 105% (that is, coverage of gross debt service of Series 2010 Senior Bonds and the gross debt service of the new subordinated bonds by total sales tax revenues projected for a 12-month period prior to the issue of the new subordinated bonds). We believe that this coverage would be consistent with obtaining single "A/A" ratings from Moody's and Standard and Poor's, respectively, for the subordinate bonds.

We believe that a debt service reserve fund would not be necessary to achieve the desired ratings for this subordinated issuance because the expected growth in revenues would significantly over collateralize the subordinated debt service. We have therefore not assumed any debt service reserve fund for the base case.

Base Case Results: Analysis of the base case results is illustrated in Exhibit III which indicates that, under the above assumptions, the Council's financing capacity from future sales tax revenues is approximately $122 million. Together with the proceeds of Series 2010 Senior Bonds and the current excess funds balances in the three county sales tax revenue funds that the total financing capacity for the Project is calculated to be $220 million. This outcome is based upon leveraging only the ¼ percent sales tax revenues, does not include financing options from other sources that could increase the Council's financing capacity for the for the Project.

A comparison of the financing capacity calculated In the 2012 Base Case scenario with the financing capacity calculated in the 2011 Financial Plan Update is shown in Exhibit IV. The comparison indicates that the significant increase in the financing capacity in the 2012 Base Case is from the new proposed two stage financing technique.

VI. Sensitivity Analysis

Using the framework of the Base Case Scenario, we have analyzed other scenarios to study the impact of changing the assumptions used in that Base Case analysis. The results of these scenario analyses are illustrated in Exhibit V. These results show the impact on the financing capacity due to changes in certain factors outside the Council's control, such as interest rates at the time of financing. They also show the impact on financing capacity due to a range of options available in the financing plan. These options include for example, the timing of the take out of the BANs by issuance of the long term bonds and the provision and sizing of a debt service reserve fund for the long term subordinated bonds.

Quantitative results shown in Exhibit III indicate that the timing of the long term subordinated bond issuance has the most significant impact on the financing capacity. As shown in that Exhibit, delaying the issuance of the long term subordinated bonds by five years can increase the financing capacity by more than $51 million.

The interest rates used also have a significant impact on the financing capacity potentially increasing it by more than $17 million for a 1% drop in interest rates from the levels assumed in the Base Case analyses.

VII. Conclusions

Analysis discussed in this financial plan update indicates that the Council can significantly enhance its financing capacity for the Project by pursuing a two stage financing against future sales tax revenues. Additional funding flexibility can be created for the Council by adjusting the timing of the issuance of the contemplated long term bonds.

UMB
Corporate Trust Services
P.O. Box 419692
Kansas City, MO 64141-7014

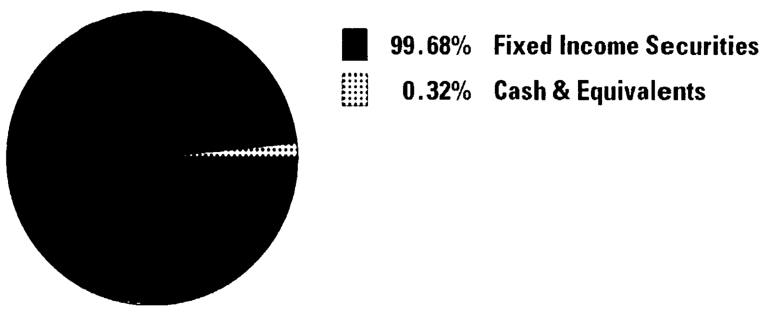
Account Title	SW IL Flood Control Series 2010 ABC 2010 A PROJECT FUND	1
Account Number	136993.8	
Statement Period	11/01/2012 - 11/30/2012	
Administrator:	Richard F. Novosak 314.612.8483 RICHARD.NOVOSAK@UMB.COM	
Associate Administrator:	Theresa Stansbury THERESA.STANSBURY@UMB.COM	
Senior Officer:	Sandra Battas 314.612.8481 Sandra.Battas@umb.com	

SW IL Flood Prevention District Council
104 UNITED DRIVE
COLLINSVILLE IL US 62234

Investment Summary

	Cost Basis	Market Value
Fixed Income Securities	60,319,773.27	60,319,773.27
Cash & Equivalents	190,846.31	190,846.31
Total Assets	60,510,619.58	60,510,619.58
Account Total	60,510,619.58	60,510,619.58

Total Invested Value	$60,510,619.58



Please review this statement carefully and notify us in writing within 30 days if you have any questions or concerns about the information it contains. Unless we receive written notice within 30 days, we will assume that you have approved the statement.
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UMB
Corporate Trust Services
P.O. Box 419692
Kansas City, MO 64141-7014

Account Title	**SW IL Flood Control Series 2010 ABC 2010 B PROJECT FUND**	1
Account Number	**136993.9**	
Statement Period	**11/01/2012 - 11/30/2012**	
Administrator:	Richard F. Novosak 314.612.8483 RICHARD.NOVOSAK@UMB.COM	
Associate Administrator:	Theresa Stansbury THERESA.STANSBURY@UMB.COM	
Senior Officer:	Sandra Battas 314.612.8481 Sandra.Battas@umb.com	

SW IL Flood Prevention District Council
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Portfolio(s) Included in Statement

Portfolio Number **136993.9** Portfolio Name **SW IL Flood Control 2010 B Project Fund**

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EXHIBIT I (PAGE 3 OF 3)

UMB
Corporate Trust Services
P.O. Box 419692
Kansas City, MO 64141-7014

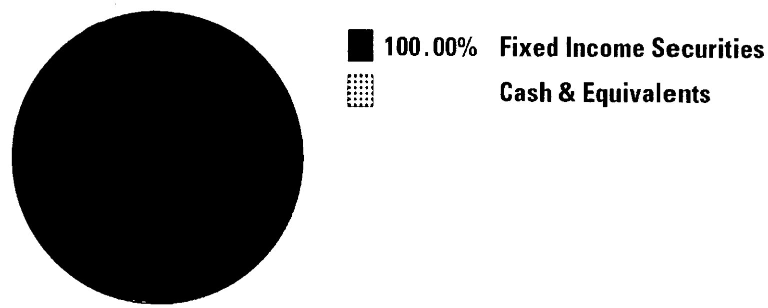
Account Title	**SW IL Flood Control Series 2010 ABC 2010 C PROJECT FUND**	**1**
Account Number	**136993.10**	
Statement Period	**11/01/2012 - 11/30/2012**	
Administrator:	Richard F. Novosak 314.612.8483 RICHARD.NOVOSAK@UMB.COM	
Associate Administrator:	Theresa Stansbury THERESA.STANSBURY@UMB.COM	
Senior Officer:	Sandra Battas 314.612.8481 Sandra.Battas@umb.com	

SW IL Flood Prevention District Council
104 UNITED DRIVE
COLLINSVILLE IL US 62234

Investment Summary

	Cost Basis	Market Value
Fixed Income Securities	13,438,143.69	13,438,143.69
Cash & Equivalents	0.60	0.60
Total Assets	13,438,144.29	13,438,144.29
Account Total	13,438,144.29	13,438,144.29

Total Invested Value	**$13,438,144.29**



Please review this statement carefully and notify us in writing within 30 days if you have any questions or concerns about the information it contains. Unless we receive written notice within 30 days, we will assume that you have approved the statement.

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Exhibit II

Southwestern Illinois Levee Certification Design
Monthly Cost Disbursements
Entire Project (All Bid Packages)

December 1, 2012	$	1,114,997
January 1, 2013	$	66,362
February 1, 2013	$	185,225
March 1, 2013	$	441,443
April 1, 2013	$	898,370
May 1, 2013	$	1,564,853
June 1, 2013	$	2,496,660
July 1, 2013	$	3,446,957
August 1, 2013	$	3,922,572
September 1, 2013	$	3,677,647
October 1, 2013	$	3,908,758
November 1, 2013	$	4,575,858
December 1, 2013	$	5,967,616
January 1, 2014	$	8,031,143
February 1, 2014	$	10,301,529
March 1, 2014	$	12,059,052
April 1, 2014	$	12,666,782
May 1, 2014	$	11,847,637
June 1, 2014	$	9,881,772
July 1, 2014	$	7,334,128
August 1, 2014	$	4,842,669
September 1, 2014	$	2,842,259
October 1, 2014	$	1,484,487
November 1, 2014	$	683,417
December 1, 2014	$	286,369
January 1, 2015	$	118,397
February 1, 2015	$	25,027

Sum: $ 114,671,986

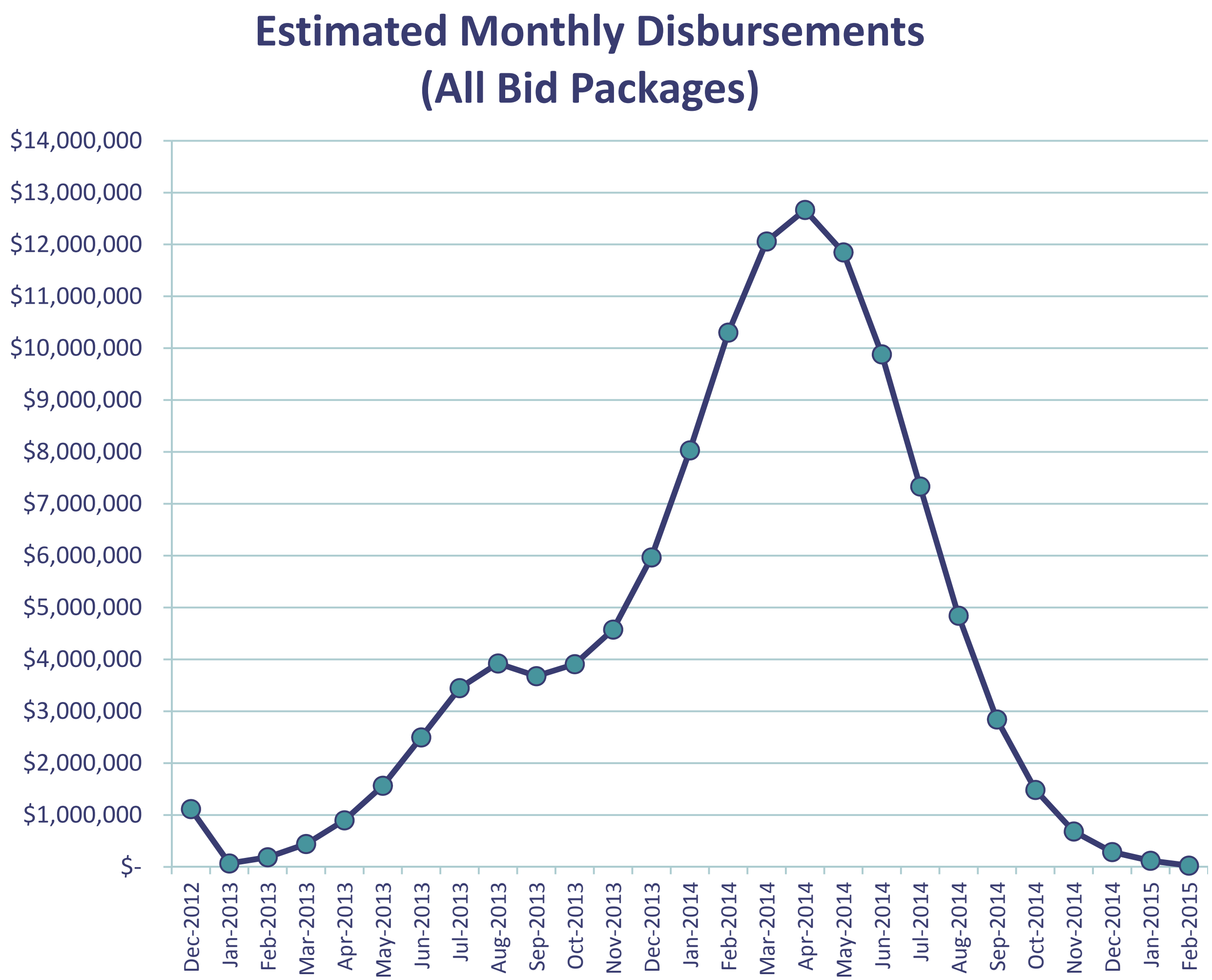

EXHIBIT III

BUTCHERMARK

Southwestern Illinois Flood Prevention District Council

Financial Plan: Scenario Analysis for Estimating Financing Capacity

Base Case Analysis and Results

Assumptions

Current Balance in Revenue Fund Available for Construction:	10,423,241	Project Conclusion Fiscal Year:	2015		
Base Year for Sales Tax Revenue Projection:	2012	Short Term Financing Year (Ser. A RANs):	2014		
Base Year Sales Tax Revenues :	11,514,773	Short Term Financing Year (Ser. B BANs):	2014		
Annual Revenue Growth Rate:	3.0000%	Long Term Bond Financing to Retire Ser. B BANS	2020		
Council Expenses in Base Year :	300,000	Debt Service Reserve Fund for Long Term Bond:	0%	0	
Short Term Financing Rate:	3.0000%	(Max. allowable in % and $Amount)			
Long Term Financing Rate:	7.0000%				219,569,532
Cost of Issuance:	1.0000%				
Rev Coverage for Additional Bonds Test:	105.0000%				

Analytical Results

Future Revenues Available for Application to Project during Construction:	5,367,917
Proceeds from Short-Term Financing (Ser A RANs) to be Retired with Future Revenues (Revenues to be received after End of Project and Before Bond Issuance):	35,459,534
Proceeds from Short-Term Financing (Ser B BANs) to be paid off with proceeds of Bonds:	80,986,994
Total Derivable from Financing against future Revenues.	121,814,445
Current Balance in Excess Revenue fund available for Project:	10,423,241
Proceeds form Series 2010 Bond Issuance:	87,331,845
Total Financing Capacity for the Project:	219,569,532

'E Sept. :	Sales Tax BOFY Balance	Projected Sales Tax Revnues	Gross Debt Service of Series 2010 Senior Bonds [Note 1]	Coverage of 2010 Bond DS By Revenues	Expected Subsidy For Ser 2010	Revenues Less Net DS on Ser 2010	Council Expenses	Revenues Less Series 2010 Net DS and Expenses	Revenues Applied to Project Pay-As-You-Go	Revenues Remaining
[1]	[2]	[3]	[4]	[5]=[3]/[4]	[6]	[7]=[3] - [4] + [6]	[8]	[9]=[7] - [8]	[10]	[11]=[9] - [10]
2013	0	11,860,216	7,102,439	167%	910,140	5,667,917	300,000	5,367,917	5,367,917	0
2014	0	12,216,023	7,102,339	172%	910,140	6,023,823	309,000	5,714,823	0	5,714,823
2015	0	12,582,503	7,101,239	177%	910,140	6,391,404	318,270	6,073,134	0	6,073,134
2016	0	12,959,978	7,103,089	182%	910,140	6,767,029	327,818	6,439,211	0	6,439,211
2017	0	13,348,778	7,103,839	188%	910,140	7,155,079	337,653	6,817,426	0	6,817,426
2018	0	13,749,241	7,100,339	194%	910,140	7,559,042	347,782	7,211,260	0	7,211,260
2019	0	14,161,718	7,102,339	199%	910,140	7,969,519	358,216	7,611,303	0	7,611,303
2020	0	14,586,570	7,100,239	205%	910,140	8,396,471	368,962	8,027,509	0	8,027,509
2021	1,235,776	15,024,167	7,102,539	212%	910,140	8,831,768	380,031	8,451,737	0	8,451,737
2022	2,898,081	15,474,892	7,103,264	218%	910,140	9,281,768	391,432	8,890,336	0	8,890,336
2023	4,999,709	15,939,139	7,101,514	224%	910,140	9,747,765	403,175	9,344,590	0	9,344,590
2024	7,553,841	16,417,313	7,101,314	231%	910,140	10,226,139	415,270	9,810,869	0	9,810,869
2025	10,574,053	16,909,832	7,104,564	238%	910,140	10,715,408	427,728	10,287,680	0	10,287,680
2026	14,074,325	17,417,127	7,102,764	245%	910,140	11,224,503	440,560	10,783,943	0	10,783,943
2027	18,069,061	17,939,641	7,101,414	253%	910,140	11,748,367	453,777	11,294,590	0	11,294,590
2028	22,573,093	18,477,830	7,101,777	260%	910,140	12,286,194	467,390	11,818,803	0	11,818,803
2029	27,601,702	19,032,165	7,103,427	268%	910,140	12,838,879	481,412	12,357,467	0	12,357,467
2030	33,170,624	19,603,130	7,100,864	276%	910,140	13,412,406	495,854	12,916,552	0	12,916,552
2031	39,296,068	20,191,224	7,093,914	285%	910,140	14,007,450	510,730	13,496,720	0	13,496,720
2032	45,994,731	20,796,961	6,982,335	298%	788,837	14,603,463	526,052	14,077,411	0	14,077,411
2033	53,162,506	21,420,870	6,842,146	313%	653,465	15,232,190	541,833	14,690,356	0	14,690,356
2034	60,803,036	22,063,496	6,667,449	331%	478,102	15,874,149	558,088	15,316,061	0	15,316,061
2035	68,894,574	22,725,401	3,670,813	619%	295,743	19,350,331	574,831	18,775,500	0	18,775,500
2036	77,448,915	23,407,163	0	NA	53,113	23,460,276	592,076	22,868,200	0	22,868,200
2037	86,425,144	24,109,378		NA		24,109,378	609,838	23,499,539	0	23,499,539
2038	96,032,712	24,832,659		NA		24,832,659	628,133	24,204,526	0	24,204,526
2039	106,345,266	25,577,639		NA		25,577,639	646,977	24,930,661	0	24,930,661
2040	117,383,956	26,344,968		NA		26,344,968	666,387	25,678,581	0	25,678,581
2041	129,170,566	27,135,317		NA		27,135,317	686,378	26,448,939	0	26,448,939
2042	141,727,533	27,949,376		NA		27,949,376	706,970	27,242,407	0	27,242,407
2043	155,077,969	28,787,858		NA		28,787,858	728,179	28,059,679	0	28,059,679
2044	169,245,676	29,651,493		NA		29,651,493	750,024	28,901,469	0	28,901,469
2045	184,255,174	30,541,038		NA		30,541,038	772,525	29,768,513	0	29,768,513
2046	200,131,716	31,457,269		NA		31,457,269	795,701	30,661,569	0	30,661,569
2047	230,793,285	32,400,987		NA		32,400,987	819,572	31,581,416	0	31,581,416
2048	262,374,701	33,373,017		NA		33,373,017	844,159	32,528,858	0	32,528,858
2049	294,903,559	34,374,208		NA		34,374,208	869,483	33,504,724	0	33,504,724
2050	328,408,283	35,405,434		NA		35,405,434	895,568	34,509,866	0	34,509,866
2051	362,918,149	36,467,597		NA		36,467,597	922,435	35,545,162	0	35,545,162
2052	398,463,310	37,561,625		NA		37,561,625	950,108	36,611,517	0	36,611,517
2053	435,074,827	38,688,473		NA		38,688,473	978,611	37,709,862	0	37,709,862
		932,963,715	159,095,958		19,561,917	793,429,674	23,598,989	769,830,684	5,367,917	764,462,767

'E Sept. :	Net Proceeds of Series A RANs	Net Proceeds of Series B BANs	Revs Applied to Retiring Ser A RANs	Contribution to Bond Proceeds (PV of [11] to Ser A Issue Date)	Pay Off of Ser B BANs With Bond Proceeds	Contribution to Bond Proceeds (PV of [13] to Ser B Issue Date)	Revenues Available for Long Term Bonds Debt Service	Allowable Max DS for Bonds from Coverage Requirements 13,891,971	Coverage of Bond DS By Revenues	Contribution to Bond Proceeds (PV of [16] to Bond Issue Date)	Revenues After Council Cost DS and Cap App
[1]	[12]	[13]	[14]	[15]	[16]	[17]	[18]	[19]	[20]=[18]/[19]	[21]	[22]
2013	0	0	0	0	0	0	0	0	NA	0	0
2014	35,459,534	80,986,994	5,714,823	5,548,372	0	0	0	0	NA	0	0
2015	0	0	6,073,134	5,724,511	0	0	0	0	NA	0	0
2016	0	0	6,439,211	5,892,790	0	0	0	0	NA	0	0
2017	0	0	6,817,426	6,057,195	0	0	0	0	NA	0	0
2018	0	0	7,211,260	6,220,496	0	0	0	0	NA	0	0
2019	0	0	7,611,303	6,374,347	0	0	0	0	NA	0	0
2020	0	0	0	0	97,679,501	81,805,044	8,027,509	6,791,732	118%	6,347,413	1,235,776
2021	0	0	0	0	0	0	8,451,737	6,789,432	124%	5,930,153	1,662,304
2022	0	0	0	0	0	0	8,890,336	6,788,707	131%	5,541,607	2,101,629
2023	0	0	0	0	0	0	9,344,590	6,790,457	138%	5,180,407	2,554,132
2024	0	0	0	0	0	0	9,810,869	6,790,657	144%	4,841,645	3,020,211
2025	0	0	0	0	0	0	10,287,680	6,787,407	152%	4,522,736	3,500,273
2026	0	0	0	0	0	0	10,783,943	6,789,207	159%	4,227,977	3,994,736
2027	0	0	0	0	0	0	11,294,590	6,790,557	166%	3,952,166	4,504,033
2028	0	0	0	0	0	0	11,818,803	6,790,195	174%	3,693,416	5,028,609
2029	0	0	0	0	0	0	12,357,467	6,788,545	182%	3,450,952	5,568,922
2030	0	0	0	0	0	0	12,916,552	6,791,107	190%	3,226,406	6,125,444
2031	0	0	0	0	0	0	13,496,720	6,798,057	199%	3,018,419	6,698,663
2032	0	0	0	0	0	0	14,077,411	6,909,636	204%	2,867,253	7,167,775
2033	0	0	0	0	0	0	14,690,356	7,049,826	208%	2,734,044	7,640,530
2034	0	0	0	0	0	0	15,316,061	7,224,523	212%	2,618,500	8,091,538
2035	0	0	0	0	0	0	18,775,500	10,221,158	184%	3,462,260	8,554,341
2036	0	0	0	0	0	0	22,868,200	13,891,971	165%	4,397,842	8,976,229
2037	0	0	0	0	0	0	23,499,539	13,891,971	169%	4,110,133	9,607,568
2038	0	0	0	0	0	0	24,204,526	13,891,971	174%	3,841,246	10,312,554
2039	0	0	0	0	0	0	24,930,661	13,891,971	179%	3,589,949	11,038,690
2040	0	0	0	0	0	0	25,678,581	13,891,971	185%	3,355,093	11,786,610
2041	0	0	0	0	0	0	26,448,939	13,891,971	190%	3,135,601	12,556,967
2042	0	0	0	0	0	0	27,242,407	13,891,971	196%	2,930,468	13,350,435
2043	0	0	0	0	0	0	28,059,679	13,891,971	202%	2,738,755	14,167,708
2044	0	0	0	0	0	0	28,901,469	13,891,971	208%	2,559,584	15,009,498
2045	0	0	0	0	0	0	29,768,513	13,891,971	214%	2,392,135	15,876,542
2046	0	0	0	0	0	0	30,661,569	0	NA	0	30,661,569
2047	0	0	0	0	0	0	31,581,416	0	NA	0	31,581,416
2048	0	0	0	0	0	0	32,528,858	0	NA	0	32,528,858
2049	0	0	0	0	0	0	33,504,724	0	NA	0	33,504,724
2050	0	0	0	0	0	0	34,509,866	0	NA	0	34,509,866
2051	0	0	0	0	0	0	35,545,162	0	NA	0	35,545,162
2052	0	0	0	0	0	0	36,611,517	0	NA	0	36,611,517
2053	0	0	0	0	0	0	37,709,862	0	NA	0	37,709,862
	35,459,534	80,986,994	39,867,158	35,817,711	97,679,501	81,805,044	724,595,610	251,810,920		98,666,163	472,784,689
	Costs of Issuance:			358,177		818,050				986,662	
	Debt Service Reserve Fund:									0	
	Net Useable Proceeds:			35,459,534		80,986,994				97,679,501	

Note 1: The Debt Service Fund associated with the 201o Senior Bonds will be applied to the payment of the debt service in the last year of the 2010 Series

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Exhibit IV

Southwester Illinois Flood Prevention District Council
Financial Plan Update

Comparison of 2012 Base Case Financing Capacity with Financing Capacity Calculated in the 2011 Financing Plan Update

Source	2011 Financing Plan Update		2012 Financing Plan Update		
Senior Lien Bonds Issued and outstanding:	Proceeds of 2010 Bonds deposited to Construction Fund and Estimated Earnings thereon:	$87,409,570 [Note 1]	Proceeds of 2010 bonds deposited to Construction fund:		$87,331,845 [Note 2,3]
Proceeds of Council Financings Proposed to be Issued as subordinated financings under the Indenture	Proceeds of Proposed 2013 Fixed Rate Bonds:	$21,917,669	Proposed 2013 RANs	[Note 4]	$35,459,534
	Proceeds of Proposed 2015 Fixed Rate Bonds:	$20,937,672	Proposed 2013 BANs	[Note 4]	$80,986,994
Direct Application of Surplus Revenues	Surplus Draws:	$17,226,292	Balance in Surplus Rev.		$10,423,241
			Pay-as-you go application of future surplus revenues.		$5,367,917
Other Items	Estimated Construction Fund Earnings	$2,018,753			$0 [Note 3]
	Estimated Reserve Fund Earnings	$1,000,543			$0 [Note 3]
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Total Financing Capacity		$150,510,499			$219,569,531

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Note 1: Includes earnings retained in the Construction Fund

Note 2: From the 2010 Series Senior Bonds Official Statement

Note 3: RANs are porposed to be paid from excess sales tax revenues; and BANs are expected to be paid from proceeds of a subordinate bonds to be issued in 2020.

Note 3: In the 2012 Financial Plan update, the earnings on construction and reserve funds are not included for a conservative analysis

EXHIBIT V

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Southwestern Illinois Flood Prevention District Council
Financial Plan Update
Sensitivity Studies for Base Case Financing Capacity Due to Changes in Assumptions

	Input Changes	Financing Capacity and Change from Base Case ($Millions)			
A	Issuance Year for Long Term Bonds	2015	2018	2020*	2025
	Financing Capacity	$171	$200	$220	$271
	Change from Base Case	-$48	-$20	$0	$51
B	Interest Rates (+Higher/-Lower)	1%	0%*	-1%	-2%
	Financing Capacity	$206	$220	$236	$256
	Change from Base Case	-$14	$0	$17	$37
C	Revenue Coverage for Long Term Bonds	100%	105%*	110%	115%
	Financing Capacity	$226	$220	$213	$208
	Change from Base Case	$7	$0	-$6	-$12
D	Provision of Debt Service Reserve Funds for Long Term Bonds	0%*	50%	100%	
	Financing Capacity	$220	$215	$211	
	Change from Base Case	$0	-$4	-$8	
E	Revenue Growth Rates	0%	2%	3%*	5%
	Financing Capacity	$182	$206	$220	$249
	Change from Base Case	-$37	-$13	$0	$29

* Base Case from Exhibit I